

Message Text

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ORIGIN COME-00

INFO OCT-01 NEA-10 IO-13 ISO-00 EB-08 STR-04 LAB-04
TRSE-00 AGRE-00 FEA-01 CEA-01 CIAE-00 DODE-00
FRB-03 H-01 INR-07 INT-05 L-03 NSAE-00 NSC-05
PA-01 AID-05 SS-15 ITC-01 USIA-06 PRS-01 SP-02
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APPROVED BY EB/OT/TA:DJDUNFORD
COM:TNAD/OTP/BIEPR: WKRIST
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LABOR:FLAVALLEE
TREASURY: EBARBER
COM-OIFI/BIEPR: VTRAVAGLINI
AGRICULTURE: JHUDSON
STATE:NEA/RA:DTMORRISON
STATE: RMEYER

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FM SECSTATE WASHDC
TO AMEMBASSY ISLAMABAD
INFO USMISSION GENEVA
AMCONSUL KARACHI
AMCONSUL LAHORE

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USMTN FOR MTN GENEVA

E.O. 11652: N/A

TAGS: ETRD, GATT, PK

SUBJECT: NOTIFICATIONS OF SERVICES RESTRAINTS IN THE MTN

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1. THE TRADE ACT OF 1974 URGES THE PRESIDENT TO TAKE ALL
FEASIBLE STEPS TO ELIMINATE BARRIERS TO INTERNATIONAL TRADE
IN BOTH GOODS AND SERVICES AND INCLUDES SERVICES WITHIN THE
PRESIDENT'S NEGOTIATING AUTHORITY FOR THE FIRST TIME. TO
CARRY OUT THE TRADE ACT'S MANDATE ON SERVICES, STUDIES HAVE
BEEN UNDERTAKEN BY THE COMMERCE DEPARTMENT AND BY THE
ACCOUNTING FIRM OF WOLF AND COMPANY UNDER CONTRACT. THESE

TWO STUDIES INDICATE A WIDE VARIETY OF RESTRAINTS AFFECTING THE INTERNATIONAL DISSEMINATION OF SERVICES SUCH AS INSURANCE, BANKING, TRANSPORTATION, CONSULTING ENGINEERING, FRANCHISING AND OTHERS. BOTH STUDIES, HOWEVER, CONCLUDE THAT THE GREAT MAJORITY OF RESTRAINTS ARE ASSOCIATED WITH INTERNATIONAL INVESTMENT, WITH A RELATIVELY SMALL PORTION BEING ASSOCIATED WITH INTERNATIONAL TRADE IN SERVICES. SINCE THE MTN IS CONCERNED WITH BARRIERS TO TRADE, INVESTMENT-ORIENTED SERVICES PROBLEMS ARE NOT APPROPRIATE FOR NEGOTIATION THERE. IN FACT, SOME OTHER COUNTRIES MAY EVEN RESIST THE INTRODUCTION OF TRADE-RELATED SERVICE PROBLEMS IN THE MTN SINCE THERE IS LITTLE PRECEDENT FOR DOING SO IN PREVIOUS TRADE NEGOTIATIONS. ACCORDINGLY, U.S. SERVICE RESTRAINT NOTIFICATIONS IN THE MTN WILL INCLUDE ONLY

SIGNIFICANT RESTRICTIONS WHICH ARE ANALOGOUS TO NONTARIFF MEASURES AFFECTING TRADE IN GOODS.

2. BASED ON THE STUDIES MENTIONED ABOVE, WE HAVE SELECTED CANDIDATES FOR NOTIFICATION IN THE MTN. THE EMBASSY IS REQUESTED TO VERIFY THE EXISTENCE OF THE RESTRICTIONS LISTED IN PARA 4 BELOW. ALSO, THE EMBASSY IS REQUESTED TO (A) SUPPLY ANY ADDITIONAL INFORMATION AVAILABLE, PARTICULARLY WITH REGARD TO THE INTENT OF THE RESTRAINT AND ANY DISCRIMINATORY ASPECTS THEREOF, (B) ASSESS THE IMPORTANCE OF EACH OF THE RESTRAINTS LISTED IN TERMS OF ITS EFFECT LIMITED OFFICIAL USE

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ON ACTUAL OR POTENTIAL U.S. TRADE IN GOODS OR SERVICES, (C) ADVISE WHETHER OTHER SIGNIFICANT RESTRAINTS ON SERVICES HAVE BEEN OVERLOOKED, AND (D) ADVISE ON THE UTILITY OF ATTEMPTING TO REDUCE OR ELIMINATE THESE SERVICE RESTRAINTS IN THE MTN.

3. AS EMBASSY MAY BE AWARE, THE SPECIAL TRADE REPRESENTATIVE HAS RECENTLY AGREED WITH THE EUROPEAN COMMUNITY ON A TIMETABLE DESIGNED TO BRING THE MTN TO AN EARLY CONCLUSION. THIS HAS AN IMMEDIATE IMPACT ON THE TIMETABLE FOR OBTAINING INFORMATION ON RESTRICTIONS THE U.S. IS INTERESTED IN RAISING IN THE MTN. PRESENT PLANS REQUIRE THAT INTERAGENCY CONSIDERATION OF NOTIFICATION TEXTS BEGIN BY AUGUST 19 SO THAT NOTIFICATIONS CAN BE TABLED IN GENEVA AS SOON AS POSSIBLE THEREAFTER. ACCORDINGLY, THE EMBASSY IS REQUESTED TO REPLY BY AUGUST 8 TO ALLOW TIME FOR COMPILING RESPONSES INTO APPROPRIATE NOTIFICATIONS.

4. (A) THE PAKISTAN INSURANCE CORPORATION WAS FOUNDED IN 1952, THE GOVERNMENT HAVING A MAJORITY SHAREHOLDING. GOVERNMENT CONTROL IS EXERTED ALSO BY THE APPOINTMENT OF THE MANAGING DIRECTOR, CHAIRMAN, AND GOVERNMENT DIRECTORS

WHO ARE IN A MAJORITY AND DICTATE THE POLICIES OF THE
CORPORATION. INSURANCE COMPANIES ARE LEGALLY REQUIRED TO
MAKE CESSION TO THE CORPORATION, SUBJECT TO A MAXIMUM OF
30 FOR ALL CLASSES--50 OF THIS IS CEDED BACK; AND
(B) ALL IMPORTS MUST BE INSURED IN THE DOMESTIC INSURANCE
MARKET, EXCEPT FOR SHIPMENTS FINANCED UNDER THE U.S.
AGENCY FOR INTERNATIONAL DEVELOPMENT PROGRAM. CHRISTOPHER

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Control Number: n/a
Copy: SINGLE
Sent Date: 01-Aug-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
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Disposition Approved on Date:
Disposition Case Number: n/a
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